

AMENDMENT 2

December 9, 2002

Solicitation No.: 623-03-001

Issuance Date: October 25, 2002

Closing Date: January 13, 2003

Closing Time: 4.00 PM, East & Central African Time

21 QUESTIONS AND ANSWERS TO RFA NO. 623-03-001

1. Please confirm that NGOs may bid on the referenced solicitation. The title makes reference both to PVOs and NGOs, but section B, Evaluation Criteria, states that “the applicant must be a licensed U.S. PVO”.

Answer: Any not-for profit US based organization having sufficient expertise relevant to the program described in the RFA is eligible to apply. Additionally, the applying organization must be registered with USAID’s Office of Private and Voluntary Cooperation (PVC). This requirement was not stated in the RFA. The organization should contact Mary Newton, the Registrar at PVC by phone 202-712-4747 or email: Mnewton@usaid.gov for registration. The organization will be still eligible as long as their request was received at PVC prior to the RFA closing date.

2. What kinds of partnerships between international and local NGOs will be considered? Can the lead US PVO partner with a local NGO (based in Eritrea) and who also has a parent organization based in Canada? Can the other international NGO (Canadian) be sub-contracted by the lead US PVO?

Answer: Prime Recipient’s (US based organization) partnering with local Eritrean organizations is strongly encouraged. However, partnering with a third country not-for-profit organization (e.g., Canadian), although it is permitted, is not preferable under this RFA. Use of US based or local organizations is preferred to implement the program.

3. How can direct/indirect line items be charged for both organizations?

Answer: Recipient’s billing for direct and indirect costs must be consistent with their established accounting systems and procedures.

4. What is the standard policy in transferring funds in this collaborative relationship with two international NGOs and a local implementing NGO.

Answer: The Prime Recipient is responsible for all aspects of program implementation. USAID funding will be provided to the Prime Recipient. If there are any sub-awards, the Prime Recipient is solely responsible for their administration and management.

5. If two organizations or NGOs collaborate in responding to the RFA, should each organization submit its own set of required certifications, indirect cost rate, assurances and representations like as if it is the only one applying. In other words, should there be two parallel sets of supporting documentation, one from each partner organization?

Answer: Yes.

6. Will waivers be granted for the acquisition of non-U.S. made equipment, vehicles and commodities?

Answer: Purchase of US-made equipment must always be considered before purchase of non-US-made equipment. When such equipment or service is not available, non-US-made equipment may be purchased if sufficiently justified and supported.

7. For budgeting purposes for community infrastructure grants, is it to be assumed that approximately 1/3 of the grants value will be lost by exchanging at the official bank rate to the difference in official and informal exchange rates?

Answer: Applicants provide detailed narratives supporting their proposed budgets. Such assumption (s) must be clear, realistic and must pass the cost reasonableness and fairness test. Usaid-supported organizations operating in Eritrea must comply with all relevant Eritrean legislation, including that governing the foreign exchange regime.

8. How should we interpret or understand by the term sustainability? Does USAID expect full self-sufficiency of local programs in both financial and programmatic aspects after two years of funding?

Answer: Not necessarily, but proposals will be reviewed against Evaluation Sub-criterion 1B, among other things, as to their plans to make local NGOs sustainable after two years.

9. Does USAID expect to see any local institution established after two years of funding support?

Answer: Awardees will work with existing and any possible newly formed NGOs.

10. Will USAID have any objections to cost recovery as part of local programs, especially if it is done through some sort of fee for service?

Answer: If generating of program income is envisioned, the application must be specific by stating the intended use of the program income.

11. How important is acceptance of program design by host and regional governments to the overall evaluation by USAID of our proposal submission?

Answer: In Eritrea, this is important. Applicants should assume that there will be a degree of GSE involvement in this matter.

12. Does USAID deem the presence of expatriate technical experts or managers' critical/essential to the implementation of this project? To the financial management and control of the project?

Answer: Yes (to both questions).

13. Does USAID encourage the spread of project activities over two or three different geographical regions?

Answer: Yes. For the water activity, the RFA stipulates that priority should be given to drought recovery and war affected areas, but for the micro credit activity, we assign no priority to any particular geographical area.

14. The target group mentioned under small-scale credit activities for women targets a diverse group. Can the micro credit program focus on one group of women in the defined area? For example, can the credit program first target single women-headed households as opposed to demobilized female soldiers?

Answer: Yes.

15. As financial sustainability is an essential criterion for this credit project, what is an appropriate percentage of grant, business and credit training to the targeted groups against the funds used for the loan fund?

Answer: We did not specify any percentage for the resources that applicants should devote to training activities, but do expect applicants to propose expending a certain amount of funds on such activities.

16. As local staffing and building local capacity will be an important part of the program, what is the ceiling percentage?

Answer: There is no such ceiling.

17. The RFA speaks to community development activities in relation to the water sanitation activity. Assuming that health is important, can HIV/AIDS be a sub-activity under the community development activities? There is no mention of HIV/AIDS awareness and preventive education.

Answer: No, we did not intend that HIV/AIDS would be a sub-activity under the community development activities.

18. Keren has been cited as the targeted region for this project. Will all 2 to 4 RFAs be given to the Keren region or does USAID prefer efforts in other areas? Is it preferred by GOE for applicants to submit applications for Keren.

Answer: No. Keren is only an example although it is one of the GSE priority areas in the water sector. There is no suggested geographical focus for the micro credit activity.

19. May one organization apply for each of the components, i.e. water systems and other small community infrastructure project and small-scale credit program targeting women for \$600,000 each for a total of \$1,200,000? Or must both components be handled within one award per organization totaling no more than \$600,000.

Answer: Answer to the first question is yes. The one stipulation is that \$600,000 in total should be awarded to activities that benefit women, whether those activities are in the micro credit or water areas.

20. What is the maximum amount of money that may be given for each community infrastructure project? What is the range in cost the infrastructure grant should fall within?

Answer: USAID/Eritrea leaves this issue to the Applicant's judgment.

21. May a local organization partner with more than one international organization under one component of the project? May a local organization partner with 2 international organizations, that is one organization for each component?

Answer: Please refer to answer given to question number 2.